

Industry Transformer

Interview with Betty Norman, creator of Life Perspective Financial Planning.*

Betty Norman, a long-time Strategic Coach® client, is one of Southern California's leading planners and a top producer in the financial services industry. She is the founder of Life Perspective* Financial Planning, an innovative consulting program that enables financial planners to create deeper, more productive relationships with their clients by strategically integrating their life goals and financial objectives. A former professor and counselor, Betty has developed a unique perspective related to financial planning. She has conducted over 200 financial planning seminars and has communicated her wisdom internationally. I know you'll enjoy hearing Betty's story and her insights.

Dan Sullivan: After featuring 12 advisors at the cutting edge of the industry, I think it's appropriate that we conclude the *Creative Destruction* series by highlighting an advisor who really does personify where I think the trajectory of this profession is going. Betty provides a powerful example of a holistic approach to advising that places the client's own life plan — his or her goals and aspirations for a richer, fuller life — at the center of the financial planning process. So, to begin our conversation Betty, why don't you tell us how you started in the industry?

Betty Norman: Well, Dan, I've been in the financial services industry for over 20 years. Before that, I was a college professor and a counselor at a university. A key moment in my professional life, however, was when I had the realization that clients are just as interested in their life pursuits and the direction of their life as they are in their money and financial health. So I began to recognize that there's more to advising than just restating a client's financial planning objectives and resources.

Dan Sullivan: Betty, how long did it take before this became obvious to you?

Betty Norman: It probably became obvious sometime in the last ten years. It was only over the last five years, however, when I started to develop a process, that I could accommodate this request of clients. Because in the past, if

I were to have these conversations with clients, it would take up a significant amount of time and essentially function as a value-added.

Dan Sullivan: That's the case with many advisors who are paid purely on commission. They can't afford to give any kind of in-depth service because they are simply not being paid for it, and time doing that is time taken away from their chances of actually getting paid on a commission basis.

Betty Norman: Absolutely.

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Dan Sullivan: Of course you don't have to worry about that problem anymore, Betty, because you've developed a Unique Process™. So why don't you walk us through the process.

Betty Norman: Sure. Our process is called Life Perspective* Financial Planning, and it incorporates five interrelated stages. Through our life-centric planning process, we are essentially aligning the clients' most meaningful life pursuits, whatever they are, with their financial objectives and resources. The first stage is The Life Perspective Assessment Process*, and this is where we use our vision and discovery tools to help clients get a clearer understanding of their goals and objectives for the future. Then we move into our second stage, which is The Financial Perspective Expander*. Here, we strictly zero in on the clients' finances. We are guiding clients to a deeper understanding of their financial strengths and capabilities.

We keep them focused on their finances, and then we move them to The Life Perspective Expander* phase. This is where clients have an opportunity to explore their most meaningful



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life pursuits. They can really start formulating goals and objectives in the context of their financial situation. That leads to the fourth stage, The Life Perspective Solution*, which is critical, because we take all the knowledge from the previous stages and begin to create solutions that encompass both life decisions and financial decisions. The final stage we call The Life Perspective Realization Phase*. This stage involves our ongoing efforts to implement solutions and deal with the changes that invariably come about as clients themselves change. Our process is very adaptable and flexible because we've found that, as clients begin to gain more confidence, their vision becomes clearer.

Dan Sullivan: I can imagine there is a lot of going back and making things more precise and adding dimensions as you go through this.

Betty Norman: That's exactly what happens. So, Dan, this is the process we take them through, and as we enter our fourth year, I'm happy to say that every one of my original clients is still with me.

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Dan Sullivan: That's just phenomenal, Betty.

Betty Norman: What I'm noticing is that my clients are much happier. They come in on a regular basis. I don't even have to call and confirm their appointments. They joke that I know more about them than their own children do.

Dan Sullivan: Now, Betty, when I've brought up the subject of life planning — because I've told a number of advisors that you have this process — they all say, “Well, we do that too. Any financial planner does life planning.” Could

you differentiate what you mean by life planning from how it's usually considered by financial advisors?

Betty Norman: Well, Dan, most financial advisors see life planning as asking their clients to give them ten goals. What would they like to accomplish? And the goals are really rather general, and they're not related to what we consider the clients' most meaningful life pursuits. What we do is get down to the very core of what these individuals want to transfer to their spouses, to their children, and to their grandchildren. We've designed tools that ask the right questions in a way that they don't feel like you're intruding on their privacy. These tools are getting to what, really, life planning is all about, and how it's related to their finances.

Dan Sullivan: What is the general profile of the clients you work with?

Betty Norman: Well, this process works well with everybody. Everyone has these concerns: “Will I retire successfully? Will I achieve my life goals?” People want to align their values and life pursuits with their financial objectives, but they also want to know how they can transfer their values to significant others. You know, Dan, I really do believe that the Baby Boomers are going to rewrite retirement. They are intently focused on enjoying life now, while also passing on those meaningful life pursuits to their family.

I always say, Dan, if you are a good financial planner, you're going to handle your clients financially, otherwise they wouldn't be with you. That's why as financial planners, we need to offer clients a wider, more meaningful experience, while always staying focused on the financial fundamentals.

Dan Sullivan: What has the effect been on your own professional life?

Betty Norman: Our business is growing by leaps and bounds. We have increased our revenue from fees by at least 40 percent. Most important, I have been able to reduce my client load. At this stage in my life, I'm not really interested in having 1,000 clients. So right now, 50 people are basically paying for my business. I'm obviously doing a better job with

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each client, and when I look at the appointment book, I look forward to seeing who's coming in.

Dan Sullivan: Well, in the past, you were giving away those services rather than charging for them as part of a process. How has client appreciation changed now that clients are writing a cheque?

Betty Norman: It does make a difference. In general, the clients are so pleased with what they're getting that they never even question writing the cheque. As you indicated, I did formerly give away that advice as a value-added. I'm going to spend time with my clients and talk about their life goals whether or not I'm getting paid — that's just my professional inclination. So now that I'm getting paid, it does remove a lot of the previous frustrations.

Dan Sullivan: What about referrals?

Betty Norman: That's an interesting question, Dan, because I used to never understand why I wasn't getting referrals. I approached some clients and asked them directly, "I've been good to you. You enjoy coming here. So why aren't you giving me referrals?" I was shocked when they said, "Well, we don't want you to get too busy."

Dan Sullivan: Your clients were probably very perceptive. They were concerned about you not being misused. And I think your clients were actually zeroing in on the fact that they appreciated enormously that you were giving them something very precious, but they also realized that you weren't necessarily getting paid for it. So I think they were probably trying to protect you.

Betty Norman: That's a great point, Dan. Now of course clients are paying me today, and as I said, I've been able to reduce my client load and really focus on providing an exceptional experience to a core group of clients — from whom I am now getting referrals.

Dan Sullivan: And you have also reduced your marketing costs.

Betty Norman: I don't even market. I don't do seminars anymore. I don't need to struggle for referrals as if my business depended on them. I am able to pick and choose.

Dan Sullivan: You also don't need to push product and rely on product sales.

Betty Norman: Absolutely. I'm going to get paid regardless of the products I'm selling, and the clients actually appreciate that because they know it ensures independence. The result is that clients who may have their money scattered with other people are eager to put it all under my management. Even though I'm only seeing 50 clients, the money they're bringing in is astronomical.

Dan Sullivan: I would also suspect, Betty, that not only have you added another 40 percent on top of product, the actual money you are receiving from product has also increased.

Betty Norman: Right. Our trails have increased. We're only selling those products that are best for the clients, but the numbers are well above previous levels, and that's considering we're working with fewer clients.

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Dan Sullivan: What kind of fee structure are you operating with?

Betty Norman: We have various levels, and the fee structure is primarily based on what we need to do. So we have a range of around \$4,000 to \$12,000 in annual fees, which are paid in quarterly installments.

Dan Sullivan: Talk a little about the team and organizational structure you have developed around this process.

Betty Norman: Well, I have great back-office support. My oldest son is a financial planner with an MBA. My daughter is a professor with a PhD from Stanford who helps out in the

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office. In general, the team we have now considers this more than a job, and they are really gratified by the relationships being developed with clients.

Dan Sullivan: I know that a lot of advisors are concerned about succession issues. And it seems that not only do you have a supportive family involved, you have a process that can go on within your own structure.

Betty Norman: That's right, Dan. It could go on with my son. It could go on with any of the financial planners we bring in. What we've done is developed a turnkey program, and it goes from A to Z. Every tool comes with examples and gives you feedback.

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Dan Sullivan: That gets to my next question, Betty. Like all of our other Industry Transformers™, you've made efforts to package this turnkey process for other advisors in the profession. Why don't you talk about those efforts? When did it occur to you that you might want to package this for other advisors?

Betty Norman: Well it started occurring in The Strategic Coach® Program when I had an opportunity to talk to some of the Industry Transformers who have had success along these lines. I came back from the meeting and said to my son, “You know, we have a product that is just as effective. We can do this. It's a natural fit.” From there we set the wheels in motion and it has been a continual effort at fine-tuning.

Dan Sullivan: How many advisors are currently involved?

Betty Norman: We have about 20. We have two broker-dealers that are onboard and will allow their planners to use the process. We just presented it to a very large insurance company, and they're quite receptive. As I said, there is still some fine-tuning but we're getting close to being able to really roll this out on a larger level.

Dan Sullivan: What kind of investment is required in terms of time and resources from advisors who want to become involved?

Betty Norman: Well, right now we have a one-and-a-half-day workshop. Our goal is to increase the clarity and confidence of the planners regarding our process and make sure they understand exactly what we are trying to accomplish — the mindset that is required to succeed with this approach. We have software and a book that's coming out soon. In terms of financial investment, certainly our workshop carries a fee. Advisors often try out different seminars, and some have had bad experiences in other places. They come to us and say, “You know, I've paid out thousands of dollars to other programs that didn't make a difference. But with you, after a matter of months, I made \$50,000.”

Dan Sullivan: That must be very satisfying, Betty.

Betty Norman: You know Dan, at this stage in my life, I've made enough to retire, and I wouldn't be trying to push something if I didn't think it was extremely beneficial and transformational for those involved.

Dan Sullivan: As we wrap up this interview Betty, I want to talk about a problem that is certainly facing the financial services industry right now, and that's the problem of legal risks. As you know, the charges for errors and omissions and other compliance issues are going through the roof. And it seems that with a single solution, you have solved an enormous number of legal issues, because I can't imagine a situation developing where one of your clients would want to sue you.

Betty Norman: You are absolutely right, and the reason is because we have a process in place for finding out what the client wants. Everybody is on the same page. Clients walk in,

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we have a meeting, and then we send a follow-up report. There is no lapse of memory. We've had two broker-dealers give their blessing to this process because they recognize that it is the epitome of the most important command in the industry — “know your client.”

Dan Sullivan: And you are, by and large, insulated from fluctuations in the market.

Betty Norman: Dan, I honestly believe that if their portfolios produced five percent, the clients would be happy. I mean, five percent is not very good, but the clients are so thrilled to see how their financial objectives are aligned with their life objectives, that that synergy is worth everything to them.

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Dan Sullivan: I've been talking about this, Betty, since the early 1990s. I feel that financial advisors in the 21st century have a unique role to play in American society and other developed countries. More than any other professional in the marketplace — lawyers, accountants, psychologists, even clergy — financial advisors are in a position to have meaningful conversations about their clients' goals and life objectives. As a result, financial planning will increasingly emerge as the single most influential advisory profession in the marketplace. And I think your process really sits at the forefront of these trends.

Betty Norman: That's a wonderful insight, Dan, and I do believe that we as financial planners have an opportunity to pull all of these strands together and gain that centrality in the lives of clients.

Dan Sullivan: Clients need the kind of support that you and other innovative financial planners are providing, especially with the decline of so many other institutions and sources of support in American life. I mean, the traditional model of lifetime employment and stable retirement that comes with work in a large corporation is largely outdated. It strikes me that really great financial advisors who are life-centric in their approach can respond to the needs of hundreds of thousands of people who want a sense of direction and confidence and capability in their lives.

Betty Norman: Absolutely. I'm going to be talking with some of my colleagues in a month, and everybody is concerned about their business and the pressures and so forth. I truly believe that if advisors would add the experience element, the life-centric approach, then they could start developing a different relationship with clients.

Dan Sullivan: Betty, if we were having this discussion ten years from now, what would you have liked to see happen with this process as it goes out into the marketplace?

Betty Norman: Well, I would hope that we will have had the opportunity to present this across the nation. I really see this process as a new model for financial planning that can reshape the profession if enough people adopt it. As I talk with you today, Dan, I'm more energized than ever and ready to see that transformation through.

For more information about the Unique Process discussed in this interview, please contact:

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